Legislation for preventive detention of drug traffickers

*91. DR. RATNAKAR PANDEY:

SHRI BEKAL UTSAHI:

Will the Minister of FINANCE be pleased to state:

(a) whether the Central Government have sought the views of the State Governments on the proposed legislation regarding preventive detention of drug traffickers involved in internal and international trade; and

(b) if so, what are the details threeof?

THE MINISTER OF STATE IN THE DEPARTMENT OF REVENUE IN THE MINISTRY OF FINANCE (SHRI AJIT PANJA): (a) and (b) Yes, Sir. The proposal for a Central legislation for the Prevention of Illicit Traffic in Narcotic Drugs and Psychotropic Substances which was circulated to all State Governments and Union Territories for their views/comments was welcomed by those States which responded to the communication. As there was an urgency about the matter, the Prevention of Illicit Traffic in Narcotic Drugs and Psychotropic Substances Ordinance, 1988 was promoulgated on 4-7-1988 which extends to the whole of India, excepting the State of Jammu and Kashmir. The State of Jammu and Kashmir have since issued the Jammu and Kashmir Prevention of Illicit Traffic in Narcotic Drugs and Psychotropic Substances Ordinance, 1988 (1 of 1988) on 5-7-1988 containing similar provisions as that of the aforesaid law.

Curbing of black money

*92. SHRI M. S. GURUPADASWAMY:

SHRI ASHOK NATH VERMA:

Will the Minister of FINANCE be pleased to state:

(a) whethre the Committee of Secretaries of the Economic Ministries has completed its work of examining the suggestions of the National Institute of Public Finance and Policy on the aspects of black economy in India;

(b) if so, what are the results of their examination;

(c) whether one of the findings of the Wanchoo Commission was that transfer of landed property, especially by way of power of attorney, was one of the major causes of generation and accumulation of black money; and

(d) whether in view of the findings of the above organisation and of the Wanchoo Commission about the generation of black money, Government have any proposal to revise the provisions under the Income Tax Act and the Wealth Tax Act so as to plug the loopholes?

THE MINISTER OF STATE IN THE DEPARTMENT OF REVENUE IN THE MINISTRY OF FINANCE (SHRI AJIT PANJA): (a) and (b). The suggestion of the National Institute of Public Finance and Policy in its report titled 'Aspects of Black Economy in India' have been examined by the Finance Ministry and the suggestions relating to the other Ministries and State Governments were forwarded to them for taking appropriate action. The Central Board of Direct Taxes is primarily concerned with the major problem of tax evasion for which several far reaching effective steps, like rationalization in tax rates, simplification and ratonalisaton of tax laws & procedures & stepping up of deterrent measures, have been undertaken.

(c) Transfer of ownership of flats in metropolitan cities without the statutory requirement of registration under the Indian Registration Act was identified as one of the sectors generating black money in the report of the Wanchoo Committee.

(d) The provisions of the Income-tax Act and the Wealth-tax Acts have already been amended through the enactment of the Direct Tax Laws (Amendment) Act, 1987 after taking

into consideration the various recommendations of the National Institute of Public Finance and Policy relating to evasion and avoidance of taxes. The Finance Act, 1987 has introduced provisions with effect from 1-4-1988 whereby any person having possession of any building or part thereof on 'Power of Attorney' basis will be deemed to be the owner of that property for the purposes of the Income-tax Act and the Wealth-tax Act. The Central Government has also been empowered with certain pre-exemptive rights to purchase the immovable property in metropolitan cities of Delhi, Calcutta, Bombay, Madras, Bangalore and Ahmedabad with a view to curb understatement of value of real estate.

Rise in Total Debt Service

*93. SHRI KRISHNA KUMAR BIRLA: Will the Minister of FINANCE be pleased to state:

(a) whether the total debt service (TDS) has been steadily rising and Government propose to resort to further borrowing to service the debts;

(b) if so, what is the percentage of rise in TDS during 1985-86, 1986-87 and 1987-88 (till date) and what is the consequential percentage of rise in the share of TDS in foreign liabilities; and

(c) to what extent Government propose to resort to further borrowing to finance liabilities and how it is going to reflect on the Indian economy as a whole?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B. K. GADHVI): (a) and (b) A statement is laid on the Table of the House. (See below).

(c) The level of borrowings by the Government is dependent upon the flow of resources from tax and non-tax sources on the one hand and the projected expenditures on the other hand. Normally, borrowings are put to productive uses through which the economy gains.

Statement

Total charges paid towards servicing internal market loans and external debt of the Central Government and percentage increases thereof from 1985-86 *to* 1987-88 *(RE).*

Year	Total debt service charges. (Rs. crores)	Percentage increases over the previous year	Debt servicing charges of external debt only (Rs. crores)	Percentag increase over the previous year
1985-86	4290	25.3	1168	23.2
1986-87	5784	34.8	1661	42.3
1987-88 (RE)	6823	18.0	2309	39.0

Of the debt service charges, the interest charges are met from Revenue receipts while repayment of the principal is a part of the Capital Budget. Government does not borrow specifically to repay debt.